
OLR Bill Analysis

sHB 5043

AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF THE GOVERNOR CONCERNING EDUCATION.

SUMMARY:

This bill provides numerous changes to the education statutes, including:

1. implementing numerous provisions of the new *Sheff* desegregation stipulation including (a) authorizing increased state construction reimbursement rates for three new magnet schools, (b) authorizing, within available appropriations, an annual grant of \$750,000 for four years to Hartford for a *Sheff* lighthouse school, and (c) changing the definition of minority student under *Sheff* so Asian and Native American students are no longer considered racial minorities;
2. increasing the state school readiness maximum cost reimbursement from \$8,346 to \$8,661 per student;
3. capping school transportation grants; and
4. delaying for a year, until June 30, 2016, the deadline for school districts to implement a new mandated chart of accounts

A section-by-section analysis follows.

EFFECTIVE DATE: various

§§ 1-19 — SHEFF V. O'NEILL – 2013 STIPULATION

The bill contains numerous provisions intended to carry out the newest phase of *Sheff v. O'Neill*, the ongoing Hartford school desegregation court case. In December 2013, the state and the *Sheff* plaintiffs reached a new agreement regarding additional efforts to integrate Hartford schools and the agreement was formalized in court

as a stipulation and order (officially referred to as the Phase III stipulation).

The bill makes numerous changes to place in statute references to the new *Sheff* stipulation that are conforming and technical with no substantive change.

§ 1 — Revised Definition of Racial Diversity

The bill provides a revised definition of racial diversity under the interdistrict magnet school law as it applies to *Sheff* magnets schools. Current law requires a magnet school to have at least 25% but no more than 75% minority students, and racial minorities are defined as those whose (1) race is other than white or (2) ethnicity is defined as Hispanic or Latino by the U.S. Census. The bill adds that, for *Sheff* magnets, the enrollment must meet the reduced isolation setting standards of the 2013 stipulation, which means no more than 75% of the students can identify themselves as any part Black/African American or any part Hispanic. Thus, for purposes of *Sheff* magnets, Asians, Alaskan Natives, Native Americans, Native Hawaiians or other Pacific Islanders will not be counted as minorities. This, in turn, makes it will be somewhat easier to reach the racial goals of *Sheff* because some students who used to count as minority will now count as nonminority.

The new definition also provides that a school that enrolls Hartford-resident minority students through the Open Choice program will be deemed to provide a reduced-isolation setting (see Lighthouse School below).

The bill requires a magnet school governing authority to restrict the number of students from a participating district enrolling in the magnet school in order to meet the bill's reduced isolation standard. A governing authority may be a board of education, a regional education service center (RESC), an institution of higher education, or a combination of these.

EFFECTIVE DATE: July 1, 2014

§ 1 — Payment Schedule for Goodwin College Academy Magnet School and Limit on SDE Expense for Administration

The bill modifies the payment schedule, based on a trimester school year, for the per-student magnet school grant paid to Goodwin College for the College Academy magnet school. Under current law, initial payments to governing authorities must generally be made by September 1 with the remainder paid by May 1.

For FY 15 and each following year, the bill requires SDE to pay Goodwin College for operating the College Academy magnet as follows for each student enrolled:

1. in the summer term at the beginning of the fiscal year, 50% of the grant by August 1 the balance no later than either (a) September 1 for each such student who enrolls in the second trimester term or (b) May 1 for each such student who enrolls in the third trimester term; and
2. in the second trimester term of the fiscal year for a student who was not enrolled in the preceding summer term, 50% by September 1 and the balance by May 1 of the fiscal year if the student who enrolls in the third trimester term.

The May payment must be adjusted to reflect actual enrollment in the magnet school program as of the preceding summer and second trimester terms. The adjustment must initially use data of record as of the intervening October 1 and, later, data as of March 1, if the actual level of enrollment is lower than the projected enrollment included in the grant application. The May payment can be further adjusted for the difference between the total grant received in the prior fiscal year and the revised grant amount calculated for the prior fiscal year in cases where the financial audit submitted by the magnet school governing authority indicates an SDE overpayment.

The bill also caps at no more than \$500,000, the share of the total magnet school appropriation that SDE may retain for evaluation and administration.

EFFECTIVE DATE: July 1, 2014

§ 2 — *Renzulli Gifted and Talented Academy*

The bill requires SDE to, within available appropriations, award a grant up to \$250,000 to the Hartford school district for program development and expansion of the Dr. Joseph S. Renzulli Gifted and Talented Academy to assist the state in meeting the *Sheff* 2013 stipulation goals. Application for the grant funds must be submitted annually to the education commissioner at a time and in a manner as he prescribes.

The bill also states that starting with the 2014-15 school year, any student who is not a Hartford resident who applies and is enrolled at Renzulli will be considered enrolled under the state's Open Choice program. The Open Choice program aims to reduce racial isolation by giving districts grants for accepting students from other districts. The bill permits any student accepted into Renzulli, based on the Renzulli's selective admissions policy, to be considered part of Open Choice, regardless of race. This allows the Hartford school district, Renzulli's parent district, to receive a per-student Open Choice grant for any student from outside Hartford who attends the school.

The bill specifies that the grants Renzulli receives under these provisions does not reduce its eligibility for any other state grant to which it may be entitled.

EFFECTIVE DATE: July 1, 2014

§ 3 — *Sheff Lighthouse School*

The bill creates a program for the Hartford school district to receive an annual grant to convert an existing neighborhood school into a *Sheff* lighthouse school. SDE must, within available appropriations, award an annual grant of \$750,000 to Hartford for FY 15 through FY 18 to assist in the development of curricula and staff training for the *Sheff* lighthouse.

The bill refers to the 2013 *Sheff* stipulation to define the Lighthouse schools as schools designated for additional funding and initiatives

designed to improve educational outcomes while serving neighborhood or citywide populations. By offering improved programs, the schools aim to stabilize neighborhoods and improve racial integration. The stipulation states that all teachers at the lighthouse school teachers will remain Hartford public school teachers.

The bill requires the selection of the lighthouse school to be done through a collaborative process approved by the Hartford board of education and education commissioner. (Hartford has already started the process.)

The bill also states that starting with the 2014-15 school year, any student who is not a Hartford resident can apply to enroll in the lighthouse school and, if enrolled, will be considered enrolled under the state's Open Choice program. This means the Hartford school district receives a per-student Open Choice grant for any student who attends the lighthouse school who is not from Hartford.

EFFECTIVE DATE: July 1, 2014

§ 4 — Supplemental Sheff Magnet Transportation Grants

The bill extends specific payment dates for supplemental *Sheff* magnet school transportation grants consistent with payment dates for previous fiscal years. For FYs 14 and 15, SDE must pay up to 50% of the grant by June 30 and the balance by September 1 upon completion of the comprehensive financial review.

EFFECTIVE DATE: July 1, 2014

§§ 5-12 & 17 — Technical Changes

These sections make technical changes related to the new *Sheff* stipulation.

EFFECTIVE DATE: July 1, 2014

§§ 13-16 — Sheff School Construction Reimbursement Rate Changes and Authorization for Education Commissioner to Pay CREC's Local Construction Share

The bill authorizes SDE to pay 100% of the reimbursable

construction costs for three new *Sheff* magnet schools. The schools are Greater Hartford Academy of the Arts Elementary Magnet School, Greater Hartford Academy of the Arts Middle Magnet School, and the Two Rivers Magnet High School; all existing schools that are moving to new facilities.

First, it authorizes a 95%, rather than an 80%, state reimbursement rate for three magnet schools planned by the Capital Region Education Council (CREC). By law, magnet schools receive an 80% reimbursement rate. Towns, regional districts and regional education service centers, like CREC, are reimbursed by the state for eligible school construction costs.

Second, by law, towns and districts pay a share of school construction costs. The bill authorizes the education commissioner to pay both the state and local shares of eligible project cost for the three CREC schools mentioned above. The bill adds this authorization to an existing special act provision that gave the commissioner the same authority for six other CREC projects.

EFFECTIVE DATE: Upon passage, except for the authorization regarding the local share of school construction costs, which is effective July 1, 2014.

§§ 18 & 19 — *Capital Startup Grant Liens or Repayments*

This bill exempts CREC from lien or repayment of capital startup cost grants of up to \$17 million in one previous school construction project authorization and up to \$7.5 million in another.

Both grant authorizations were to purchase buildings or portable classrooms, lease space, and purchase equipment, including, computers and classroom furniture.

EFFECTIVE DATE: Upon passage

§ 20 — CAP ON STATE TRANSPORTATION GRANTS

The bill extends a cap on state transportation formula grants to school districts and regional education service centers (RESCs) for two

more fiscal years, through June 30, 2015. The cap requires grants to be proportionately reduced when the state budget appropriations do not cover the full amounts required by the statutory formula. This grant was not capped last year when a number of other education grants were. In practice, SDE has operated this current fiscal year as if the cap were in place.

EFFECTIVE DATE: Upon passage

§ 21 — CHANGE TO PRIORITY SCHOOL DISTRICT AID

The bill (1) places an end date on a portion of the priority school district funding, (2) makes a small adjustment to another portion of the money for FY 14, and (3) extends an existing provision of the priority district funding to FY 15.

Under current law, there is an annual SBE allocation of \$3,216,908 for part of the priority school district funding. The bill ends this allocation as of June 30, 2012. Priority districts are school districts with high levels of student poverty and low student scores on standardized tests. By law, they are eligible for certain additional state aid.

EFFECTIVE DATE: Upon passage

§§ 22 & 23 — TECHNICAL CHANGES

These sections make technical changes.

EFFECTIVE DATE: Upon passage

§§ 24 — CHANGES TO CHARTER SCHOOL LAW

The bill changes the formula for determining how much funding a local or regional board of education must provide to a local charter school it sponsors. Under current law, the funding support from the board is the product of the number of students and the per-pupil cost for the prior year minus the state reimbursement for special education excess costs. The bill changes the second part of the equation to the per-pupil cost for the fiscal year two years before the year the board funding will be provided and does not subtract the reimbursement received under the special education excess cost grant.

It also changes the definition of per-pupil cost for the local or regional board from net current expenditure divided by average daily student membership to current program expenditures divided by number of resident students.

Finally, it changes the date, from April 15 to April 1, by which the state must make the final installment of its scheduled four part payment to a local charter school for the per-student annual grant. Currently, there are no local charter schools in Connecticut but one has been approved to open in New Haven this fall.

EFFECTIVE DATE: Upon passage

§ 25 — REQUIRED ADOPTION OF CHART OF ACCOUNTS DELAYED

The bill delays the deadline, from June 30, 2015 to June 30, 2016, for each board of education, RESC, and state charter school to implement a uniform system of accounting for school revenues and expenditures that includes a chart of accounts for use at the school and school district level. Each board of education, RESC, and state charter school must implement the system by filing annual financial reports using a chart of accounts that meets statutory requirements. By law, boards of education (1) annually submit receipts, expenditures, and statistics to the education commissioner and (2) have the information certified by an independent public accountant selected to audit municipal accounts.

By law, SDE must develop this system, which must include in the chart of accounts (1) all amounts and sources of revenue that a board of education, RESC, charter school, or charter management organization receives and (2) cash or real property donations to a school district or school totaling an aggregate of \$500 or more.

EFFECTIVE DATE: Upon passage

§§ 26 & 27 — ALLIANCE DISTRICT FUNDS AND NONSUPPLANT PROVISION

The bill explicitly requires state education aid for an alliance

districts to be expended for educational purposes only on the authorization of the local board of education in accordance with the law authorizing alliance district funding. This “nonsupplant” provision because it prevents education funds from being diverted for noneducation purposes.

Alliance districts, the 30 school districts with the lowest district performance index scores, receive increased state education aid and must expend the aid to further the goals of an improvement plan approved by SDE.

EFFECTIVE DATE: Upon passage

§ 28 — SCHOOL READINESS COST REIMBURSEMENT

The bill increases the maximum SDE school readiness per-child reimbursement from \$8,346 to \$8,661. The increase begins with FY 15 and continues every year thereafter.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Related Bill

sSB 26, An Act Expanding Opportunities for Early Childhood Education, favorably reported by the Education Committee, also increases the school readiness per-child grant to \$8,661.

Sheff v. O’Neill

In 1996, the Connecticut Supreme Court ruled in *Sheff v. O’Neill* that the racial, ethnic, and economic isolation of Hartford public schools students violated their right to equal educational opportunity and ordered the state to devise a solution. Since then, the state and the plaintiffs have agreed to a number of voluntary efforts to reduce racial isolation for Hartford students that have been carried out through three separate stipulations. The latest, the Phase III stipulation, covers the period from December 13, 2013 to June 30, 2015.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute

Yea 33 Nay 0 (03/24/2014)